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C O N F I D E N T I A L LONDON 008394

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STATE FOR S/CT, EB/ESC/TFS, EUR/PGI, EUR/ERA, EUR/UBI,
TREASURY FOR FRIESS AND JACOBSEN
NSC FOR HINNEN

E.O. 12958: DECL: 12/18/2016

TAGS: [ETTC](#) [EFIN](#) [PTER](#) [KTFN](#) [ECON](#) [EU](#) [UK](#)

SUBJECT: NEXT STEPS ON THE TFTP: UK BUILDING COALITION

REF: A. LONDON 8247

¶B. STATE 194473

Classified By: Economic Minister Counselor Mark Tokola for reasons 1.4(b) and (d).

¶1. (C/NF) Summary and Action Request: The UK sees the emergence of a "coalition of the constructive," EU member states willing to work together to develop solutions to safeguard the terrorism finance tracking program (TFTP). The UK intends to work with Sweden, the Netherlands, Belgium, Germany (in its capacity as incoming EU Presidency) and possibly the Spanish to ensure that TFTP is not "ruined by the privacy experts." Current UK thinking points to a European Council decision that would resolve individual member states' domestic legal problems as the best solution.

¶2. (C/NF) As it works building a coalition, the UK would appreciate any information we can provide on exactly which member state has what legal problem and also our views on "what success looks like," i.e. what would we like to see as an outcome of this process. We would appreciate Washington guidance to respond to the UK's requests. End summary and action request.

¶3. (C/NF) According to Sean Byrne, Senior Policy Adviser at HM Treasury, the UK believes that a "coalition of the constructive" is emerging. This coalition consists of EU member states that agree on the need to put the security aspects of TFTP ahead of the privacy concerns. Similarly, they agree on the need for ministries of finance to get a hold of the issue before the justice and home affairs ministries turn it into solely a privacy issue. Byrne said that the UK, Sweden, the Netherlands, and Belgium are at the core of the coalition. He added that the UK will start reaching out to Germany (which assumes the mantle of Presidency in January) and possibly Spain.

¶4. (C/NF) Byrne said that the UK's objective is to figure out what needs to be done to ensure that TFTP can continue to operate successfully. His current impression is that there are enough member states that have domestic legal problems with SWIFT's cooperation with TFTP that eventually the European Council will have to agree on some type of measure to give individual member states cover. Byrne acknowledged, however, that there are other approaches to the problem, ranging from doing nothing, seeking a technical fix such as greater levels of informed consent, or allowing each member state to come up with its own solution.

¶5. (C/NF) Byrne said that additional information from the

U.S. would be very helpful to the UK as it moves this issue forward. First, Byrne asked for as much information as we can share on exactly which member states have legal problems with SWIFT and TFTP, and the nature of their legal problems. This will help the UK come up with proposals on how to handle this issue on an EU-wide basis. Second, Byrne requested information on "what success looks like" to the U.S. so that the UK can do its best to bring it about.

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